

**Proposed Substitute
Bill No. 302**

LCO No. 3157

**AN ACT CONCERNING THE IMPACT OF PROPOSED REGULATIONS
ON SMALL BUSINESSES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-168a of the 2016 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2016*):

4 (a) As used in this section:

5 (1) "Agency", "proposed regulation" and "regulation" have the same
6 meanings as provided in section 4-166; and

7 (2) "Small business" means a business entity, including its affiliates,
8 that (A) is independently owned and operated and (B) employs fewer
9 than [seventy-five] two hundred fifty full-time employees or has gross
10 annual sales of less than five million dollars, [provided] except that an
11 agency, in adopting regulations in accordance with the provisions of
12 this chapter, may define "small business" to include a greater number
13 of full-time employees, not to exceed applicable federal standards or
14 five hundred, whichever is less, if necessary to meet the needs and
15 address specific problems of small businesses.

16 (b) Prior to [the adoption of any proposed regulation] or
17 concomitant with the posting of a notice pursuant to section 4-168,

18 each agency shall prepare a regulatory flexibility analysis in which the
19 agency shall [, to the extent appropriate, utilize regulatory methods]
20 identify:

21 (1) The scope and objectives of the proposed regulation;

22 (2) The types of businesses potentially affected by the proposed
23 regulation;

24 (3) The total number of small businesses potentially subject to the
25 proposed regulation;

26 (4) Whether small businesses, in order to comply with the proposed
27 regulation, may be required to: (A) Create, file or issue additional
28 reports; (B) implement additional recordkeeping procedures; (C)
29 provide additional administrative oversight; (D) hire additional
30 employees; (E) hire or contract with additional professionals,
31 including, but not limited to, lawyers, accountants, engineers, auditors
32 or inspectors; (F) purchase any product or make any capital
33 investment; (G) conduct additional training, audits or inspections; or
34 (H) pay additional taxes or fees;

35 (5) Whether and to what extent the agency communicated with
36 small businesses or small business organizations in developing the
37 proposed regulation and the regulatory flexibility analysis, if
38 applicable;

39 (6) Whether and to what extent the proposed regulation provides
40 alternative compliance methods for small businesses that will
41 accomplish the objectives of applicable statutes while minimizing
42 adverse impact on small businesses. Such [regulatory] methods shall
43 be consistent with public health, safety and welfare [. The agency shall
44 use, to the extent appropriate, each of the following methods of
45 reducing the impact of the proposed regulation on small businesses]
46 and may include, but not be limited to:

47 [(1)] (A) The establishment of less stringent compliance or reporting
48 requirements for small businesses;

49 [(2)] (B) The establishment of less stringent schedules or deadlines
50 for compliance or reporting requirements for small businesses;

51 [(3)] (C) The consolidation or simplification of compliance or
52 reporting requirements for small businesses;

53 [(4)] (D) The establishment of performance standards for small
54 businesses to replace design or operational standards required in the
55 proposed regulation; and

56 [(5)] (E) The exemption of small businesses from all or any part of
57 the requirements contained in the proposed regulation.

58 (c) Prior to the adoption of any proposed regulation that may have
59 an adverse impact on small businesses, each agency shall notify the
60 Department of Economic and Community Development and the joint
61 standing committee of the General Assembly having cognizance of
62 matters relating to commerce of its intent to adopt the proposed
63 regulation. Said department and committee shall advise and assist
64 agencies in complying with the provisions of this section.

65 (d) The requirements contained in this section shall not apply to
66 emergency regulations issued pursuant to subsection (g) of section 4-
67 168; regulations that do not affect small businesses directly, including,
68 but not limited to, regulations concerning the administration of federal
69 programs; regulations concerning costs and standards for service
70 businesses such as nursing homes, long-term care facilities, medical
71 care providers, day care facilities, water companies, nonprofit 501(c)(3)
72 agencies, group homes and residential care facilities; and regulations
73 adopted to implement the provisions of sections 4a-60g to 4a-60i,
74 inclusive.

75 Sec. 2. Section 31-51ww of the general statutes is repealed and the
76 following is substituted in lieu thereof (*Effective October 1, 2016*):

77 As used in this section and sections 31-51xx to 31-51eee, inclusive:

78 (1) "Account holder" means a participant in a certified state IDA

79 program;

80 (2) "Department" means the Labor Department;

81 (3) "Approved plan" means a plan prepared jointly by the account
82 holder and the community-based organization that defines savings
83 goals, program requirements and permissible uses of the individual
84 development account and its matching funds pursuant to sections 31-
85 51xx to 31-51aaa, inclusive, and regulations adopted pursuant to
86 section 31-51ddd. The approved plan shall be a contract between the
87 account holder and the community-based organization;

88 (4) "Area median income" means area median household income as
89 determined from time to time by the United States Department of
90 Housing and Urban Development;

91 (5) "Certified state IDA program" means a program of matched
92 savings accounts that has been certified by the department in
93 accordance with regulations adopted pursuant to section 31-51ddd;

94 (6) "Clearinghouse" means a service to provide organizations
95 interested in establishing, or which have established, individual
96 development account programs with literature on federal, state and
97 other sources of funding, guidelines for best practices and program
98 standards, and information regarding the establishment and
99 maintenance of certified state IDA programs;

100 (7) "Community-based organization" means an organization exempt
101 from taxation pursuant to section 501(c)(3) of the Internal Revenue
102 Code of 1986 or any subsequent corresponding internal revenue code
103 of the United States, as from time to time amended, which meets the
104 requirements set forth in regulations pursuant to section 31-51ddd;

105 (8) "Education" means (A) a postsecondary program of instruction
106 provided by a college, university, community college, area technical
107 high school, professional institution or specialized college or school
108 legally authorized to grant degrees, or (B) any related educational
109 program approved by the community-based organization and the

110 department;

111 (9) "Entrepreneurial activity" means the purchase of or investment
112 in a small business [, as defined in subsection (a) of section 4-168a,] in
113 Connecticut in which, upon such purchase or investment, the account
114 holder will be a principal;

115 (10) "Federal poverty level" means the most recent poverty income
116 guidelines published by the United States Department of Health and
117 Human Services;

118 (11) "Financial institution" means a "financial institution", as defined
119 in section 36a-330;

120 (12) "Household" means a household, as defined in the federal
121 Assets for Independence Act, P.L. 105-235;

122 (13) "Individual development account" means a savings account,
123 maintained in a program that is established pursuant to section 31-
124 51xx that is held in a financial institution, for the sole purpose of
125 holding the funds of the account holder for one of the purposes
126 described in subsection (a) of section 31-51xx;

127 (14) "Individual Development Account Reserve Fund" means a
128 nonlapsing fund administered by the department for the purposes of
129 providing matching funds for individual development accounts in
130 certified state IDA programs, and for funding costs incurred by
131 community-based organizations in the operation and administration of
132 such programs and department's administrative costs for the
133 Connecticut IDA Initiative;

134 (15) "Connecticut IDA Initiative" means the state-wide individual
135 development account initiative established in section 31-51xx;

136 (16) "Job training" means a program for job entrance or skill
137 development approved by the community-based organization and the
138 department; [and]

139 (17) "Qualified disabled individual" means a disabled individual
140 eligible for assistance to the disabled pursuant to chapter 319mm; and

141 (18) "Small business" means a business entity, including its affiliates,
142 that (A) is independently owned and operated, and (B) employs fewer
143 than seventy-five full-time employees or has gross annual sales of less
144 than five million dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	4-168a
Sec. 2	<i>October 1, 2016</i>	31-51ww